



## DEPARTMENT OF THE INTERIOR

### INFORMATION SERVICE

FISH AND WILDLIFE SERVICE

For Release JANUARY 20, 1961

#### ALASKA CANNER IS INTERIOR'S FIRST MORTGAGE INSURANCE CLIENT

The Department of the Interior program for insuring mortgages on fishing vessels was inaugurated this week, Assistant Secretary Ross Leffler said in announcing approval of the application of an Alaskan salmon canner under the program.

The amount of the insured mortgage was \$75,000. It covered a loan made by a Seattle bank to Joseph R. Fribrock of the Snug Harbor Canning Company. The period of the mortgage is eight years. The company is building 10 gillnet vessels to replace fishtraps which have been abolished in Alaska. The cost of the vessel construction is about \$105,000.

Under the mortgage insurance program the Department guarantees the lender or mortgage holder the insured amount. Should the borrower fail to pay, the Department pays but has legal recourse to the borrower's assets.

Authorization for the mortgage and loan insurance program was given the Department of the Interior in March 1958, when the fishing vessel mortgage program was transferred from the Maritime Administration. It was not until July 1960 that Congress approved a method of financing the program should financing be necessary.

Persons obtaining mortgage insurance pay the Department one percent per year on the average unpaid balance of the loan. This money goes into a revolving fund which is available to pay claims. Should, at any time, the claim exceed the amount in the revolving fund, the Department of the Interior has the right to borrow the required amount from the Treasury.

The fishing vessel mortgage and loan insurance program is administered by the Bureau of Commercial Fisheries, Fish and Wildlife Service. The Bureau has administered a loan program for the replacement or repair of vessels and fishing gear for some years and now has authority for a vessel construction subsidy program.

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